



Mexico City, Mexico, April 26, 2017

*Genomma Lab Internacional, S.A.B. de C.V. (BMV: LAB.B)* (“Genomma Lab” or “the Company”), today announced its operating results for the first quarter ended March 31, 2017. All figures included herein are stated in nominal Mexican pesos and have been prepared in accordance with International Financial Reporting Standards (IFRS).

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## A. Q1 2017 Highlights (vs. Q1 2016)

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- Net Revenues for the first quarter 2017 were Ps. 3.20 billion; a 12.4% year on year increase. This result accounts for the highest first quarter in the company's history.
- First quarter 2017 EBITDA amounted to Ps. 694.2 million; a 40.2% increase versus the previous year, representing a 21.7% margin, the highest EBITDA margin in the last nine quarters.
- Genomma achieved Ps. 486.0 million in free cash flow generation in the first quarter 2017, in line with the 1.80 billion of FCF for the full year guidance. During the quarter, the Company invested Ps. 4.0 million as part of its stock repurchase program.
- Net Income amounted to Ps. 471.6 million for the first quarter of 2017, compared to Ps. 426.2 million in the same quarter of 2016.
- First Quarter 2017 Highlights by Region:
  - Net Revenues from Mexican operations were Ps. 1.10 billion; a 10.7% increase year on year, in line with the Company's expectations for the quarter.
  - Sales from Genomma Lab's Latin American operations increased 20.5%, to Ps. 1.66 billion, as compared to Ps. 1.38 billion during the first quarter of 2016. This was primarily due to stronger sales during the quarter although service levels for the region continue to be low, coupled with stronger regional currencies as compared to the US dollar.
  - Net Revenues for U.S. operations were Ps. 440.0 million; a 7.6% decrease year on year. This is the expected result of product rationalization in the region and a high comparable base during Q1 2016. We reiterate our full year objective for the US.



## B. Comments from the CEO

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Mr. Máximo Juda, Chief Executive Officer, commented: “I am pleased with the progress we have made on our turn-around plan as well as the demonstrated strong demand for our brands. Despite continuing macroeconomic challenges in many of our markets, we reported a record in the history of the Company for net sales in a first quarter as well as the highest net sales amount in the last ten quarters. Additionally, our profitability has also increased with an EBITDA margin of 21.7%; the highest in the last nine quarters. These results reflect the continued support and strong demand for our brands, our focus on operational excellence and the sustainability of our business model following the launch and execution of our turn-around plan.

Consolidated sales for the first quarter were Ps. 3.20 billion, representing a 12.4% year on year increase, primarily on increased revenues in Mexico which grew 10.7% and in Latin America with a sales increase of 20.5%, although fill rate levels remain low. The U.S. market performed as expected primarily due to the phase out of the nutritionals category and a tougher comparison from the first quarter of 2016. Despite this result, we reiterate our guidance for the market.

While fulfillment levels in Mexico are improving as we reinforce management focus on the supply chain, we still experienced less than optimal service levels to customers in Latin America resulting from decreased fulfillment levels from Mexico’s suppliers. We expect to continue to face these challenges through the year, but are working to put in place our own manufacturing facilities.

Our focus on continuous improvement of operating profitability and on our cash conversion cycle continues to prove fruitful as we reported 90 days at the end of the first quarter of 2017 as compared to 91 days at the end of the first quarter 2016. Net Debt decreased to Ps. 3.93 billion. We will continue to strengthen our capital structure as we focus on reducing net debt of the Company even further.

We are completing the audit process of our 2016 statements and with that, we finalize a long and thorough process done in collaboration with our team, our Board and our auditors to achieve a clean balance sheet.

While we are still facing a tough environment, I am pleased that we are generally on track with our expectations for the year 2017. With a focus on operational excellence and our investment in points of sale as part of our new business model, we are driving increased sales and a more sustainable and profitable business which is creating value for all of our stakeholders.”



## C. Results for the First Quarter 2017

**NOTE:** Genomma Lab strengthened its financial policies during the fourth quarter of 2015 and during 2016, implementing additional procedures and controls that resulted in adjustments reported within the corresponding Results Release. We believe these policies reflect a **prudent<sup>a</sup>** accounting approach based on the current circumstances. These policies, which were presented to and approved by the Company's Audit Committee and Board of Directors, enhance the relevance and reliability of information contained within the financial statements.

The following tables reflect the Company's consolidated results of operations on an as reported basis in million pesos. Margins are shown as a percentage of Net Sales.

Balance Sheet figures for year-end 2016 include the audited numbers, to be approved by the General Annual Ordinary Shareholders meeting on April 27<sup>th</sup>, 2017. The Company will publish the audited financial statements once they are approved. P&L figures for 2017 have been compared to the same period of the prior year.

For the first quarter ended March 31, 2017 and 2016  
(In million pesos)

Q1	REPORTED		
	Q1 2016	Reported Q1 2017	Variation vs Q1'16
<b>Net Sales</b>	<b>2,850.6</b>	<b>3,203.1</b>	<b>12.4%</b>
<b>Gross Profit</b>	<b>2,001.6</b>	<b>2,232.4</b>	<b>11.5%</b>
<i>Gross Margin</i>	<i>70.2%</i>	<i>69.7%</i>	
<b>EBITDA<sup>1</sup></b>	<b>495.0</b>	<b>694.2</b>	<b>40.2%</b>
<i>EBITDA Margin</i>	<i>17.4%</i>	<i>21.7%</i>	
<b>Operating Income</b>	<b>466.4</b>	<b>677.6</b>	<b>45.3%</b>
<i>Operating Margin</i>	<i>16.4%</i>	<i>21.2%</i>	
<b>Net Income of Majority Shareholders</b>	<b>358.7</b>	<b>436.8</b>	<b>21.8%</b>
<i>Net margin</i>	<i>12.6%</i>	<i>13.6%</i>	

<sup>1</sup> EBITDA is calculated by adding depreciation and amortization to the Operating Income.

The total number of shares as of March 31, 2017 totaled 1,048,733,370, and the Company held 97,671,118 shares in treasury.

<sup>a</sup> IASB considers that **prudence** (defined as the exercise of caution when making judgements under conditions of uncertainty) can help achieve neutrality in the application of accounting policies. Another way of looking at prudence is to only record a revenue transaction or an asset when it is certain, and record an expense transaction or liability when it is probable.



#### D. MD&A for the First Quarter 2017 Consolidated Results

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*Net Sales* increased 12.4% during the first quarter of 2017 compared to the same period of 2016, amounting to Ps. 3.20 billion.

Results by region were:

##### **Mexico**

*Net Sales* amounted to Ps. 1.10 billion in the first quarter of 2017; a 10.7% increase year on year and in line with our expectations for the quarter.

It is important to note that inventories of Genomma's products at Marzam were 32 days at the end of the first quarter of 2017, compared to 47 days at the end of December 2016.

*EBITDA* amounted to Ps. 202.6 million in the first quarter of 2017, representing an 18.3% margin. This result was primarily due to Genomma's continued effort to reduce sales, general and administrative expenses.

##### **Latin America**

*Net Sales* increased 20.5% in the first quarter of 2017 as compared to the prior year, to Ps. 1.66 billion. During the quarter, we continued to experience low service levels to customers in Latin America which affected our sales in the region.

*EBITDA* amounted to Ps. 430.8 million in the first quarter of 2017, representing a margin of 26.0%.

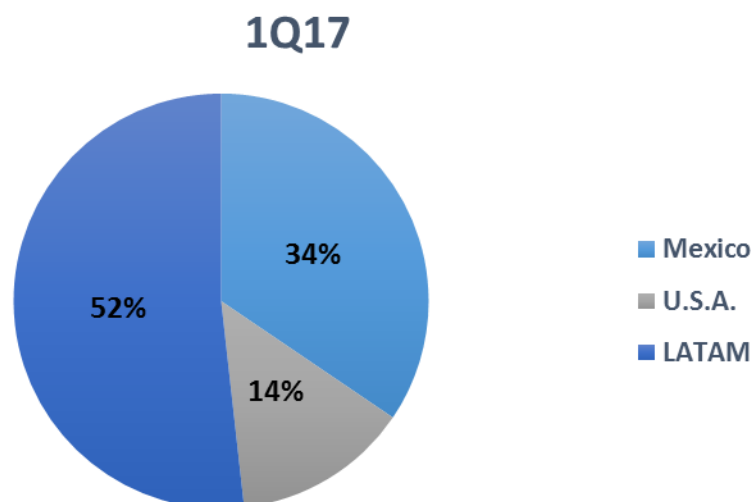
##### **U.S.A.**

*Net Sales* decreased 7.6% to Ps. 440.0 million in the first quarter 2017. As we mentioned in the past quarters, the US entity has quarterly volatility tied to the low weight over consolidated sales, we expect to meet our objective for the full year. Besides we continued our efforts to reduce nutritional category and an increased focus on the OTC market.

*EBITDA* amounted to Ps. 60.8 million in the first quarter of 2017, representing a margin of 13.8%. The margin reduction is seasonal and will level out in the rest of the year.



*Net Sales Reported by Region and Segment*



(In million pesos)

	OTC			PC			Total		
	1Q17	1Q16	%Var	1Q17	1Q16	%Var	1Q17	1Q16	%Var
Mexico	623.5	580.1	7.5%	481.2	417.6	15.2%	1,104.7	997.7	10.7%
LATAM	533.2	428.7	24.4%	1,125.2	948.1	18.7%	1,658.4	1,376.7	20.5%
USA	236.7	267.2	-11.4%	203.3	209.0	-2.7%	440.0	476.2	-7.6%
<b>TOTAL</b>	<b>1,393.4</b>	<b>1,276.0</b>	<b>9.2%</b>	<b>1,809.7</b>	<b>1,574.6</b>	<b>14.9%</b>	<b>3,203.1</b>	<b>2,850.6</b>	<b>12.4%</b>

**Gross Profit** increased 11.5% to Ps. 2.23 billion in the first quarter of 2017, compared to Ps. 2.00 billion during the first quarter of 2016. First quarter 2017 Gross Margin decreased 0.5 percentage points, to 69.7%.

**Selling, General, Marketing and Administrative Expenses**, decreased 4.0 percentage points as a percentage of Net Sales, to 48.9%, compared to SGM&A expenses of 52.9% in the same quarter of 2016. This decrease is due to the Company's continued successful execution of Company-wide expense reduction.

**EBITDA** amounted to Ps. 694.2 million in the first quarter of 2017, compared to an EBITDA of Ps. 495.0 million for the same period of 2016. First quarter 2017 EBITDA margin was 21.7%, due to lower Selling, General, Marketing and Administrative Expenses (excluding Depreciation and Amortization).



### *EBITDA Reconciliation*

For the first quarter ended March 31, 2017 and 2016  
(In million pesos)

	<u>First Quarter</u>	
	<u>2017</u>	<u>2016</u>
<b>Consolidated net income</b>	471.6	426.2
Income tax expense	172.8	121.9
Not consolidated subsidiaries' income (cost)	12.4	0.8
Comprehensive financing income (loss)	(45.6)	80.8
<b>Operating income</b>	<b>677.6</b>	<b>466.4</b>
Depreciation and amortization	16.6	28.6
<b>EBITDA</b>	<b>694.2</b>	<b>495.0</b>
EBITDA margin	21.7%	17.4%

*Comprehensive Financing Result* represented a Ps. 45.6 million loss in the first quarter of 2017, compared to a Ps. 80.8 million gain recorded in the first quarter of 2016. This variation was a result of: i.) a Foreign Exchange loss amounting to Ps. 91.5 million during the first quarter of 2017, compared to a Ps. 18.3 million gain during the same period of 2016; ii.) a Ps. 12.2 million increase in Financial Expenses to Ps. 87.9 million during the first quarter of 2017, compared to Ps. 75.7 million during the same period of 2016; iii.) higher Interest Income amounting to Ps. 10.0 million during the first quarter of 2017, compared to Ps. 6.2 million in the same period of 2016; and, iv.) a Ps. 123.9 million gain in the first quarter of 2017 related to the Exchange Rate conversion from our foreign operations, compared to a Ps. 132.0 million gain in the same period of 2016.

*Net Income* amounted to Ps. 471.6 million in the first quarter of 2017; compared to Ps. 426.2 million in the first quarter of 2016.



### Cash flow for the First Quarter 2017

For the first quarter ended March 31, 2017  
(In million pesos)

	March 2017
	1Q17
<b>Net Income</b>	<b>471.6</b>
Charges to Results with no Cash Flow	311.6
Changes in Working Capital	(245.0)
<b>Net Cash from Operating Activities</b>	<b>538.3</b>
Purchase of Property, Plant & Equipment	(14.2)
Purchase of Businesses and Others	(38.1)
<b>Net Cash from Investing</b>	<b>(52.3)</b>
Proceeds (Repayment) of Borrowing	(19.0)
Financing Expenses/Income and Other	(155.9)
<b>Net Cash from Financing</b>	<b>(174.9)</b>
Effect of Exchange Rate Changes on Cash	(270.6)
<b>Cash at Beginning of Period</b>	<b>1,846.2</b>
<b>Cash at End of Period</b>	<b>1,886.8</b>

### *Cash Flow from Operations*

Net resources from operating activities amounted to Ps. 538.3 million in the first quarter of 2017.

### *Cash Flow from Investing Activities*

Net resources used by investing activities amounted to Ps. 52.3 million.

### *Cash Flow from Financing Activities*

In the first quarter of 2017, the Company paid a total net of Ps. 174.9 million, comprised of: net stock repurchases in the amount of Ps. 4.0 million, net debt payments to financial institutions in the amount of Ps. 19.0 million and interest paid in the amount of Ps. 92.7 million.



## Balance Sheet for the First Quarter 2017

As of March 31, 2017, March 31, 2016 and December 31, 2016

	March 31, 2017	March 31, 2016	Var Dec '16 vs Dec '15	% Var Dec '16 vs Dec '15	December 31, 2016	Var Mar '17 vs Dec '16	% Var Mar '17 vs Dec '16
<b>Balance Sheet Information:</b>							
Cash and Equivalents	1,886.8	2,013.7	(126.9)	-6.3%	1,846.2	40.6	2.2%
Accounts Receivable	2,511.1	2,102.7	408.4	19.4%	2,493.5	17.6	0.7%
Inventories	1,077.4	890.4	187.0	21.0%	1,172.0	(94.7)	-8.1%
Other current Assets	2,751.8	2,685.1	66.7	2.5%	2,284.5	467.2	20.5%
Fixed, Intangible and other LT Assets	7,798.7	10,008.9	(2,210.2)	-22.1%	7,912.3	(113.6)	-1.4%
Total Assets	16,025.7	17,700.7	(1,675.0)	-9.5%	15,708.6	317.1	2.0%
Trade Payables	934.4	649.8	284.6	43.8%	1,033.5	(99.1)	-9.6%
Other current Liabilities	2,312.9	1,529.5	783.4	51.2%	1,993.0	320.0	16.1%
Current portion of debt	2,074.4	270.4	1,804.0	667.1%	2,073.9	.5	0.0%
Unsecured local bonds	3,495.2	5,488.3	(1,993.1)	-36.3%	3,494.4	.8	0.0%
Long-term loans with financial institutions	247.4	323.1	(75.7)	-23.4%	266.1	(18.6)	-7.0%
Total Liabilities	9,115.1	8,320.4	794.8	9.6%	8,915.7	199.4	2.2%
Stockholders Equity	6,910.6	9,380.3	(2,469.7)	-26.3%	6,792.9	117.7	1.7%
Working Capital <sup>(1)</sup>	2,905.3	5,242.1	(2,336.8)	-44.6%	2,696.0	209.3	7.8%
Working Capital less cash	1,018.5	3,228.3	(2,209.9)	-68.5%	849.7	168.7	19.9%
Accounts Receivable days	77	68	19	13.9%	79	(2)	-1.9%
Inventories days	103	85	18	22.1%	116	(13)	-11.0%
Trade Payables days	90	62	28	45.2%	102	(12)	-12.2%
Cash Conversion Cycle	90	91	(1)	-0.9%	93	(3)	-3.2%

<sup>(1)</sup> Working Capital consists of current assets minus current liabilities.

**Cash and Equivalents** amounted to Ps. 1.89 billion as of March 31, 2017, representing a 6.3% year on year decline, and a 2.2% quarter on quarter increase. This decrease was primarily due to cash generated by operations, which was offset by shares repurchased during the period. In the first quarter of 2017, the Company's net share repurchase was Ps. 4.0 million.

**Accounts Receivable** amounted to Ps. 2.51 billion as of March 31, 2017; a 19.4% increase since March 2016 and a 12.4% decrease compared to the fourth quarter of 2016. Days of Accounts Receivable amounted to 77. The Company continues to maintain healthy levels of Accounts Receivable at its Mexican and international operations.

Accounts Receivable as of March 2017 by region were:

	Accounts Receivable		
	Q1' 16	Q4 '16	Q1'17
Mexico	65	81	76
Latam	74	89	86
U.S.A	53	42	53

**Inventories** amounted to Ps. 1.08 billion as of March 31, 2017. Days of Inventories amounted to 103; a 18-day increase compared to March 2016 due to efforts to return to normalized fill-rate levels





in order to fulfill customer orders at Genomma's Mexico and Latin America operations. Compared to year-end 2016, days of inventories decreased by 13 days.

*Other Current Assets* amounted to Ps. 2.75 billion as of March 31, 2017.

*Trade Payables* amounted to Ps. 934.4 billion as of March 31, 2017. As of the first quarter of 2017, DPO increased to 90 days from 62 days as of March 2016, as procurement levels at our Mexican operations increased to improve inventory levels and thereby enhance client service at our Mexican and Latin America Operations.

*Other Current Liabilities* amounted to Ps. 2.31 billion as of March 31, 2017.

*Financial Leverage*- Gross Debt amounted to Ps. 5.82 billion as of March 31, 2017, compared to Ps. 6.08 billion in March of 2016; a reduction of Ps. 264.8 million.

Net Debt amounted to Ps. 3.93 billion; a Ps. 137.8 million reduction compared to March 2016. This decrease in Net Debt was primarily due to cash generated from our operations.

The Company's CeBures (long-term bonds) reach maturity on the following dates: September 2017, July 2018 and January 2020.

*Cash Conversion Cycle* reached 90 days at the end of the first quarter of 2017, compared to 91 days on March 2016 and 93 days on December 2016.

## **Analyst Coverage**

Genomma Lab is covered by analysts at the following brokerages:

Casa de Bolsa Credit Suisse; Banco Itaú BBA; Santander Investment Securities; BBVA Bancomer.; UBS Casa de Bolsa; Vector Casa de Bolsa; Barclays Bank; BTG Pactual US Capital; GBM Grupo Bursátil Mexicano.; Grupo Financiero Banorte; Grupo Financiero Interacciones; HSBC Securities (USA); Invex Grupo Financiero; Signum Research, and JP Morgan Securities.

## **Company Description**

*Genomma Lab Internacional, S.A.B. de C.V.* is one of the leading pharmaceutical and personal care products companies in Mexico with an increasing international presence. Genomma Lab develops, sells and markets a broad range of premium branded products, many of which are leaders in the categories in which they compete in terms of sales and market share. Genomma Lab relies on the combination of a successful new product development process, a consumer-oriented marketing, a broad retail distribution network and a low-cost, highly flexible operating model.

Genomma Lab's shares are listed on the Mexican Stock Exchange under the ticker symbol "LAB.B" (Bloomberg: labb.mx).



**Note on Forward-Looking Statements**

This report may contain certain forward-looking statements and information relating to the Company that reflect the current views and/or expectations of the Company and its management with respect to its performance, business and future events. Forward looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like "believe," "anticipate," "expect," "envisages," "will likely result," or any other words or phrases of similar meaning. Such statements are subject to a number of risks, uncertainties and assumptions. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this presentation and in oral statements made by authorized officers of the Company. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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## Income Statement

### Genomma Lab Internacional S.A.B. de C.V. and subsidiaries

For the three months ended on March 31, 2017 and 2016

(Thousands of Mexican pesos)

	FIRST QUARTER		Var %
	2017	2016	
Net Sales	3,203,126	2,850,643	12.4%
Cost of goods sold	970,729	849,018	14.3%
<b>Gross Income</b>	<b>2,232,397</b>	<b>2,001,625</b>	<b>11.5%</b>
Selling, general and administrative expenses	1,551,217	1,479,433	4.9%
Other expenses	9,650	27,741	(65.2%)
Other income	22,651	576	3832.5%
<b>EBITDA</b>	<b>694,181</b>	<b>495,027</b>	<b>40.2%</b>
Depreciation and amortization	16,571	28,578	(42.0%)
<b>Income from Operations</b>	<b>677,610</b>	<b>466,449</b>	<b>45.3%</b>
Interest expense	(87,946)	(75,718)	16.1%
Interest income	9,972	6,184	61.3%
Exchange income	32,378	150,364	(78.5%)
<b>Comprehensive financing income (cost)</b>	<b>(45,596)</b>	<b>80,830</b>	<b>(156.4%)</b>
Associated company	12,359	847	1359.1%
<b>Income before income taxes</b>	<b>644,373</b>	<b>548,126</b>	<b>17.6%</b>
Income tax expense	172,774	121,894	41.7%
<b>Income from continuing operations</b>	<b>471,599</b>	<b>426,232</b>	<b>10.6%</b>
Net income from discontinued operations	-	-	-
<b>Consolidated net income</b>	<b>471,599</b>	<b>426,232</b>	<b>10.6%</b>
Net income of minority stockholders	34,778	67,570	(48.5%)
<b>Net income of majority stockholders</b>	<b>436,821</b>	<b>358,662</b>	<b>21.8%</b>



## Balance Sheet

### Genomma Lab Internacional S.A.B. de C.V. and subsidiaries

As of March 31, 2017, March 31, 2016 and December 31, 2016  
(Thousands of Mexican pesos)

ASSETS	MARCH		VARIATION		DECEMBER	VARIATION	
	2017	2015	Amount	%	2016	Amount	%
<b>Current assets</b>							
Cash and equivalents	1,863,585	1,962,093	(98,508)	(5%)	1,823,024	40,561	2%
Restricted fund	23,204	51,640	(28,436)	(55%)	23,204	-	-
Clients - Net	2,511,106	2,102,700	408,406	19%	2,493,546	17,560	1%
Others accounts receivable	2,159,203	1,885,989	273,214	14%	1,868,351	290,852	16%
Inventory - Net	1,077,358	890,367	186,991	21%	1,172,041	(94,683)	(8%)
Prepaid expenses	592,599	799,069	(206,470)	(26%)	416,200	176,399	42%
<b>Total current assets</b>	<b>8,227,055</b>	<b>7,691,858</b>	<b>535,197</b>	<b>7%</b>	<b>7,796,366</b>	<b>430,689</b>	<b>6%</b>
<b>Non-current assets</b>							
Trademarks	5,081,439	6,343,709	(1,262,270)	(20%)	5,149,099	(67,660)	(1%)
Investment in shares	1,432,839	1,353,326	79,513	6%	1,420,480	12,359	1%
Building, properties and equipment – Net	364,293	379,685	(15,392)	(4%)	368,627	(4,334)	(1%)
Deferred income tax	726,772	360,322	366,450	102%	817,822	(91,050)	(11%)
Other assets - Net	193,342	1,571,818	(1,378,476)	(88%)	156,224	37,118	24%
<b>Total non-current assets</b>	<b>7,798,685</b>	<b>10,008,860</b>	<b>(2,210,175)</b>	<b>(22%)</b>	<b>7,912,252</b>	<b>(113,567)</b>	<b>(1%)</b>
<b>TOTAL ASSETS</b>	<b>16,025,740</b>	<b>17,700,718</b>	<b>(1,674,978)</b>	<b>(9%)</b>	<b>15,708,618</b>	<b>317,122</b>	<b>2%</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>							
<b>Current Liabilities</b>							
Current portion of long-term debt	2,074,437	270,414	1,804,023	667%	2,073,908	529	0%
Suppliers	934,436	649,817	284,619	44%	1,033,545	(99,109)	(10%)
Due to related parties	185	35,420	(35,235)	(99%)	31,873	(31,688)	(99%)
Other current liabilities	1,977,769	1,180,838	796,931	67%	1,829,043	148,726	8%
Income tax payable	332,564	281,301	51,263	18%	129,063	203,501	158%
Statutory employee profit sharing	2,405	31,985	(29,580)	(92%)	2,972	(567)	(19%)
<b>Total current liabilities</b>	<b>5,321,796</b>	<b>2,449,775</b>	<b>2,872,021</b>	<b>117%</b>	<b>5,100,404</b>	<b>221,392</b>	<b>4%</b>
<b>Non-current liabilities</b>							
Long-term debt securities	3,495,172	5,488,288	(1,993,116)	(36%)	3,494,376	796	0%
Long-term loans with financial institutions	247,428	323,092	(75,664)	(23%)	266,076	(18,648)	(7%)
Other long term liabilities	44,872	54,287	(9,415)	(17%)	48,744	(3,872)	(8%)
Deferred income tax	2,033	3,226	(1,193)	(37%)	2,270	(237)	(10%)
Employee retirement obligations	3,848	1,712	2,136	125%	3,848	-	-
<b>Total liabilities</b>	<b>9,115,149</b>	<b>8,320,380</b>	<b>794,769</b>	<b>10%</b>	<b>8,915,718</b>	<b>199,431</b>	<b>2%</b>
<b>Stockholders' equity</b>							
Capital stock	1,914,306	1,914,306	-	-	1,914,306	-	-
Retained earnings	5,515,659	7,195,046	(1,679,387)	(23%)	7,195,046	(1,679,387)	(23%)
Net income	436,821	358,662	78,159	22%	(1,679,387)	2,116,208	(126%)
Cumulative translation effects of foreing subsidiaries	249,527	256,167	(6,640)	(3%)	589,109	(339,582)	(58%)
Share buy back fund	(1,658,443)	(621,541)	(1,036,902)	167%	(1,656,086)	(2,357)	0%
Net premium in placement of repurchased shares	38,212	39,749	(1,537)	(4%)	38,212	-	-
Share-based payments	226,869	-	226,869	100%	179,674	47,195	26%
Minority interest	187,640	237,949	(50,309)	(21%)	212,026	(24,386)	(12%)
<b>Total stockholders' equity</b>	<b>6,910,591</b>	<b>9,380,338</b>	<b>(2,469,747)</b>	<b>(26%)</b>	<b>6,792,900</b>	<b>117,691</b>	<b>2%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>16,025,740</b>	<b>17,700,718</b>	<b>(1,674,978)</b>	<b>(9%)</b>	<b>15,708,618</b>	<b>317,122</b>	<b>2%</b>



## Cash Flow

### Genomma Lab Internacional S.A.B. de C.V. and subsidiaries

For the three months ended on March 31, 2017

(In thousands of current Mexican pesos)

	MARCH 2017 4th QUARTER
Cash and cash equivalents beginning of period	1,846,229
Consolidated Net Income	471,598
Charges to results with no cash flow:	
Depreciation and amortization	16,570
Income tax	172,774
Accrued interest and others	122,262
	783,204
Changes in Working Capital:	
Clients - Net	(17,529)
Inventories	94,682
Suppliers	(99,911)
Other current assets	(368,237)
Paid income tax	(23,524)
Other current liabilities	169,567
	(244,952)
Net cash generated (used) in operating activities	538,252
Investing activities:	
Investment in fixed assets	(16,599)
Sales of equipment	2,449
Others assets acquisitions	(38,112)
Net cash generated (used) in investing activities	(52,262)
Financing activities:	
Payments of borrowings with financial institutions	(19,005)
Interest paid	(92,686)
Stock repurchase	(4,008)
Minority interest	(59,163)
Net cash used in financing activities	(174,862)
Net increase in cash and cash equivalents before foreign exchange adjustments coming from international operations and inflationary affects cash	311,128
Foreign exchange and inflationary effects from international operations	(270,568)
Accumulated cash flow at the end of the period	1,886,789
Less - restricted fund	23,204
Cash and cash equivalents at end of period balance for operation	1,863,585